

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018/2019

TME 3221 – MARKETING AND E-COMMERCE
(All sections / Groups)

2 March 2019
9.00 a.m. - 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 4 pages excluding cover page with 5 Questions only.
2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

- a. How does technology change traditional marketing? (2 marks)
- b. Distinguish *e-commerce*, *e-business* and *e-marketing* with an illustration of diagram. (4 marks)
- c. Explain *Economic System* with **THREE (3)** fundamental questions based on society objectives. (4 marks)

QUESTION 2

Consider the following article for Question 2.

“Alibaba opens sesame for small to medium sized businesses in China”.
Alibaba is the first business for e-commerce in China and the first big idea for Jack Ma. Starting in 1999 in a small apartment in Hangzhou, eastern China, south of Shanghai, as a gathering of 18 people first rising \$60,000, it grew into the leading company in e-commerce of modern China. It was the first Chinese ever built A platform, serving millions of buyers and suppliers first serving China, and later the world. Manufacturers and distributors were able to sell and purchase their products in other countries.

Taobao was the turning point idea for Alibaba Group, that pushed the company to the financial economy environment. The platform was launched in 2003 and quickly gained the largest share in online retail market of China. It was among the first B platforms in China at the time, gaining almost 90% of share market in few years. Taobao started and developed as a platform where Chinese consumers could meet in order to find goods almost impossible to buy online because of its highly specific request. The width of merchandising was incredibly high, perfectly meeting demand of consumers. Built entirely free of charge, Taobao made millions in advertisement sections blossoming throughout of big and medium cities. In parallel, Taobao introduction also let Alibaba Group to present new online systems of payment for Chinese consumers, mostly attractive to them thanks to an efficient web of customer care. Alipay, the name of the online system, was the first online payment system introduced at the time, and helped to increase Taobao's popularity thanks to deals with local state-run banks.

Launched in 2008, Tmall is a platform for C. Born as a retail site, it was dedicated to a stricter circle of consumers and businesses, that were looking for a sophisticated Chinese shopping experience. Many brands such as Apple, Nike and Walt Disney, started to open their retail sites on Tmall (Alibaba Group, 2017). Surpassing \$160 billion in transactions and accounting for the majority of Alibaba's revenues (Osawa, 2013), Tmall is the leading propelling power on Alibaba Group.

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Providing D and E services on the Internet, was the main purpose of the very first American e-commerce business going global in a bunch of months. From its foundation in 1995 by Iranian-American entrepreneur Pierre Omidyar, eBay had to battle over an unknown ground with economic projections very high, but market behavior hard to predict. Opposite to Taobao, eBay charged his users since the beginning, a business model that proved successful in America, but that lead to market-exit in other environments like China. In 2013 its revenues were largely coming from outside U.S. borders (60%), while a mere 17% was cross-border (eBay, 2013). As Taobao with Alipay, eBay formed a partnership with Canadian-American magnate Elon Musk's PayPal online payment system. The system quickly and securely helped consumers to directly pay for their dispatched merchandise, with just few "click" alone. Generating \$7.9 billion in 2014 (a +19% every year), PayPal is leader in online payment worldwide, with approximately generating 44% of eBat revenue (Banerjea, 2014).

Founded in 1994 by American entrepreneur Jeff Bezos, Amazon started as an online bookstore, making available 1 million books on its website. A decade later, Amazon is leading company in online retail an Internet services, expanding its services into music, video and general merchandising. Recently Amazon launched its first delivery via drone, paving the way to new forms of delivery services in the new future. The company, with its \$19.34 billion in revenues as of 2014, leads the economy of e-commerce market (Craig, 2014).

Source: <https://mytradechinablog.wordpress.com/2017/05/29/alibaba-taobao-tmall-c2c-b2c-b2b-any-difference/>

- a. Give a suitable e-commerce model for each A, B, C, D and E. (2.5 marks)
- b. Define *Communication* and *Collaboration* with any example from the above article. (4 marks)
- c. Generate convergence of E-Commerce using the case of Tmall. Show the convergence diagram for Tmall. (3.5 marks)

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QUESTION 3

Consider the following article for Question 3.

Apple has become the face of mainstream technology and innovation in the modern era. They develop and manufacture products such as the iPod, iPhone, iPad, Apple TV, iMac, and Macbook. Apple has created iTunes, which is software that allows customers to purchase and download music, movies, television shows, books, podcasts, and applications. The creation of iTunes was key to the success of Apple's hardware, primarily the iPod. Software such as iPhoto, iMovie, and Garageband have enabled users to manage photos, videos, and audio files to create projects with those files. Apple also has software to compete with Microsoft Office; Pages, Numbers and Keynote contrast Microsoft Word, Excel and Powerpoint respectively.

Besides the emergence of their dedicated retail locations, Apple products are also widely available in many retailers such as Best Buy, Future Shop, and Wal-Mart. Ordering products directly from Apple on their website is also an option for consumers.

Depending on the product, Apple's pricing falls within several areas. Both the iMac and Macbook series computers are priced at a premium. They retail in price from \$1049 up to \$3000 depending on the model. In contrast, the iPod, iPhone, iPad, and Apple TV are inexpensive and widely available to consumers. Finally, iTunes has content available for a small fee, including some apps, videos, and music. Select items can also be downloaded free of charge.

Source: <http://macapplepod.wikispaces.com/Products+and+Pricing>

- a. Discuss briefly if "Apple" is an effective product brand name. (2 marks)
- b. Name any **TWO (2)** Product Mix Strategies used by Apple. Give **TWO (2)** examples for each of the strategy. (2 marks)
- c. Dedicated retail locations, retailers such as Best Buy, Future Shop and Wal-Mart are the candidates included in Apple's Distribution Strategy. Propose **TWO (2)** other suitable candidates for Apple's Distribution Strategy. (2 marks)
- d. Explain **TWO (2)** Pricing Strategies used by Apple. (2 marks)
- e. Describe **TWO (2)** suitable Promotion Methods that can be used by Apple. (2 marks)

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QUESTION 4

- a. What are the **THREE (3)** criteria that RFM analysis scans a database with? Explain with an example. (5 marks)
- b. Explain *trademark law*. How should the trademark law be applied online? (3 marks)
- c. Marketers create segments to identify and reach the right people at the right time. Determine a base of marketing segmentation for each of the cases below: (2 marks)
- i. Although the location of computers in cyberspace is not important to users accessing websites, it is very important to organisations with an Internet presence. The reason is that most firms target specific *Cities, Regions, States, or Countries* with their product offerings.
 - ii. Knowing that U.S. Internet users mirror the population, marketers need to identify attractive niches for their products. These could include *Age, Income, Gender, Education, or Ethnicity*.
 - iii. An important segmenting variable to predict online purchase behavior which include *Attitudes, Activities, Interests, Opinions, Personality, and Values*.
 - iv. This segmenting variable helps e-marketers identify consumer mannerisms online and can include *Benefits sought, Usage level, Brand loyalty, and User status*.

QUESTION 5

- a. List **THREE (3)** main types of social media used by marketers. Give an example of each of the three types of social media. (3 marks)
- b. Explain **TWO (2)** examples of competitor positioning used by physical product and software businesses. (2 marks)
- c. Marketers can engage customers using content. Explain **TWO (2)** ways to engage customers using content by drawing their interests. (2 marks)
- d. As a consumer, would you be more likely to buy from a website displaying the *TRUSTe* seal and logo than from a competing website without the *TRUSTe* affiliation? Explain your answer. (3 marks)

End of Paper